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15 April 1960



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CENTRAL INTELLIGENCE BULLETIN



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15 APRIL 1960

I. THE COMMUNIST BLOC

USSR rebuffs Iranian suggestion for Shah-Khrushchev meeting. [redacted]

Forthcoming central committee meeting likely to replace presidium members Kirichenko and Belyayev. ②

Cuts in Soviet Army under Khrushchev's demobilization program to be largely completed by September. ③

Taiwan Strait--Watch Committee analysis. ④

Communist China unsuccessfully attempting to convert Afro-Asian Solidarity Conference into anti-American propaganda forum. ⑤

II. ASIA-AFRICA

South Korea--Opposition Democratic party leaders may incite disorders in Seoul. ⑥

South Vietnam and Cambodia continue dispute over several small islands in Gulf of Siam. ⑦



⑧ Laos--Communists may withdraw some or all of their election candidates to protest government's strong-arm tactics.

⑨ Libya--Minority bloc in new Chamber of Deputies launches strong attack on existence of Wheelus base.

III. THE WEST

⑩ Italy--Fanfani faces difficult task in trying for center-left cabinet.

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CENTRAL INTELLIGENCE BULLETIN

15 April 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

SIRAB

NO

USSR-Iran: The Soviet Union has rebuffed Iranian suggestions both for a meeting in Austria between Khrushchev and the Shah following the summit conference in May and for a "purely ceremonial" visit to Moscow by the Iranian foreign minister. Soviet leaders are probably confident that the cumulative effect of the bloc's propaganda and subversive campaigns against the Shah's regime and the impact of Khrushchev's talks with Western government leaders will induce Tehran to make new efforts to improve relations. [redacted]

[redacted] (Page 1)

OK

USSR: Changes in the party presidium will be made at a forthcoming meeting of the central committee, according to a current Soviet rumor. The committee will allegedly promote candidate members Dmitry Polyansky and Aleksey Kosygin to replace Aleksey Kirichenko and Nikolay Belyayev, who are in disfavor. A separate rumor alleges that security chief Aleksandr Shelepin is also in trouble. While the main purpose of any central committee meeting convoked in the near future would probably be a demonstration of party support for Khrushchev on the eve of the summit, the promotion of Polvansky and Kosygin at such a meeting is not unlikely. [redacted]

[redacted] (Page 2)

OK

USSR: [redacted] most of the army demobilization will be completed by 1 September 1960. The plan's current phase calls for the disbandment of selected divisions, certain headquarters staffs, and independent engineer and technical battalions. The "cleanup" phase will begin in September, [redacted] and the entire program will be completed by the early spring of 1961.

[redacted] (Page 3)

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~~TOP SECRET~~ [REDACTED]

NO

Taiwan Strait--Verbatim Extract from Watch Committee Report of 13 April: The Chinese Communist military attaché in East Berlin recently told a Western journalist that Communist China would "take certain steps" during the spring months to "liberate" Taiwan and the offshore islands, possibly after the end of the National People's Congress (which terminated on 10 April) or several weeks later. Although the Chinese Communists have not fully endorsed Khrushchev's tactics of detente, there has been no propaganda build-up with respect to the strait situation such as preceded the August 1958 hostilities. China also has been trying to convince its Asian neighbors that its intentions are peaceful, a line likely to be followed by Chou En-lai during his present tour of Burma, India, and Nepal. Available evidence does not indicate that an offensive in the Taiwan Strait is imminent, although the Chinese Communists have the capability to take military action against the offshore islands at any time with little or no warning. [REDACTED]

[REDACTED]

OK

Communist China: Peiping is making a strong bid at the Afro-Asian Solidarity Conference to inject its own bitter hostility toward the United States into the Afro-Asian "national liberation struggle." Chinese delegates are charging that "US imperialism is the most vicious enemy of the Asian and African people," and are attempting to convert the Conakry meeting into a forum for this line. Moscow has avoided such vituperation, blaming colonialism in general as the main opponent of independence. [REDACTED]

[REDACTED] (Page 4)

II. ASIA-AFRICA

OK

South Korea: Opposition Democratic party leaders will probably attempt to capitalize on the spontaneous popular resentment against the government displayed at Masan, and increase their efforts to hold demonstrations elsewhere in South Korea. Although their request to the Rhee government for

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permission to hold a rally in Seoul on 15 April has been refused, it is possible that they will try to incite disorders there in the near future. [] (Page 5)

OK
South Vietnam - Cambodia: The dispute between Cambodia and South Vietnam regarding jurisdiction over several small islands in the Gulf of Siam is intensifying. South Vietnamese Foreign Minister Mau has circulated charges to "friendly governments" that new Cambodian landings in the area are "an act of aggression," and Saigon has dispatched patrol craft to reconnoiter. Mau has disclaimed any intention of forcibly dislodging the Cambodians, but relations between the two countries are so strained that a serious incident could occur. [] (Page 6) (Map)

OK
Laos: [The fellow-traveling Santiphab party is considering withdrawing some or all of its candidates from the 24 April elections in protest against the government's alleged strong-arm tactics, [] The Communist-front Neo Lao Hak Sat reportedly may take similar action in order to dramatize to the world that the elections are "a farce rigged to please foreign friends." These reports may have been deliberately circulated to generate pressure on the government to hold reasonably fair elections.] [] (Page 7)

N
Libya: [A minority bloc in the new Chamber of Deputies has launched virulent attacks on the administration and existence of Wheelus Air Force Base. One of the group's spokesmen has demanded that the chamber take matters into its own hands and "annul this evil American treaty." Prime Minister Kubar and other leading officials have continued to press for major revisions in the American aid program, including a firm commitment of funds to the Libyan budget for several years running, as the price for continued US use of the base.] [] (Page 8)

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III. THE WEST

OK
 Italy: An attempt to end the six-week-old cabinet crisis is now being made by left-wing Christian Democrat Amintore Fanfani, who is known to favor a center-left cabinet with outside support of the Italian Socialist party. Fanfani will either seek such a solution immediately or else work for a temporary caretaker government during which he would pave the way for this solution. (Page 9)

IV. SIGNIFICANT INTELLIGENCE
REPORTS AND ESTIMATES

(Available during the preceding week)

Outlook for Burma. NIE 61-60. 12 Apr 1960. Trends in Soviet Military Capabilities in the Period 1965-1970. NIE 11-60. 12 Apr 1960.

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~~TOP SECRET~~ [redacted]

I. THE COMMUNIST BLOC

Soviet Union Rejects Meetings With Top Iranians

The USSR has said it will not agree to Iranian proposals for a meeting between the Shah and Khrushchev and for a visit to the USSR by Foreign Minister Aram unless Iran is willing to accept Moscow's proposal which would ban foreign military bases in Iran, [redacted]. In giving Moscow's reply to a proposal made through the Iranian ambassador in Moscow for a meeting in Austria between the two countries' top political figures following the summit conference in May, Foreign Minister Gromyko stated on 9 April that such contacts "must have a purpose," and that Iran's insistence on the Shah's offer of a guarantee against only medium- and long-range missile bases in Iran may make the situation "even worse."

[redacted] the Soviet chargé in Tehran, responding to a suggestion by Aram that he pay a purely ceremonial visit to Moscow, stated that the visit must have as its object the signing of the Soviet draft protocol for a guarantee against foreign military bases of all types from Iranian soil. The subject of a visit by Aram or by Prime Minister Eqbal to the Soviet Union as a prelude to improved relations was broached in February by the Indian ambassador in Tehran, presumably with the knowledge and approval of Soviet officials there.

Soviet leaders, in rejecting the Iranian suggestions, appear confident that the cumulative effects of the bloc's propaganda and subversion campaigns against the Shah's regime and the impact of Khrushchev's meetings with Western heads of government will induce Tehran to make new efforts to improve relations with the USSR. [redacted]

[Iranian officials have begun to show concern over the forthcoming Menderes-Khrushchev exchange of visits announced on 11 April, as well as apprehension that the summit meeting may lessen US interest in and support for the Middle East.] [redacted]

[redacted]

~~TOP SECRET~~ [redacted]

~~CONFIDENTIAL~~Soviet Central Committee Meeting Rumored

The Soviet party central committee will meet soon to make changes in the party presidium, according to a current Soviet rumor which has been reported by the American Embassy in Moscow. Such a meeting would presumably precede the Supreme Soviet session scheduled to open on 5 May and would probably serve mainly as a demonstration of party support for Khrushchev on the eve of his departure for the summit meeting in Paris.

The committee might also use the occasion, the rumor alleges, to take up some pending personnel matters, including the promotion of candidate presidium members Dmitry Polyansky and Aleksey Kosygin to full membership as replacements for Aleksey Kirichenko and Nikolay Belyayev. The latter two, who have tumbled from favor in recent months, are still formally full members. Polyansky heads the government of the Russian Republic (RSFSR); Kosygin is chief of the State Planning Committee.

The embassy reports another rumor in Moscow to the effect that Aleksandr Shelepin, who has been chief of state security since December 1958, is in trouble. Despite the uncertain tenure of Soviet police chiefs, however, there has been nothing to substantiate this.

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Soviet Army Demobilization

[redacted]

army demobilization plans call for the bulk of the reduction to take place before September of this year. Selected divisions, headquarters staffs, and independent engineer and technical battalions would be affected in this phase. A cleanup phase involving miscellaneous elements would be completed by the early spring of 1961. He said that a division in the Moscow area was the first to be demobilized.

Although Marshal Bagramyan told Ambassador Thompson on 1 April that the bulk of the reductions would take place in the spring and summer, this is the first indication of a plan to complete the reductions well before the two-year time limit set by Khrushchev in his speech of 14 January. It is also the first suggestion that division-size units are to be disbanded. There is no information as to which geographic areas will retain the greatest percentage of their original strength.

[redacted] many of the officers who have been selected for demobilization, particularly those without enough service time for retirement, were extremely unhappy. [redacted] the "extraordinary" benefits the Soviet Government had decreed for the discharged officers were overcoming this discontent. No problem has arisen in connection with the demobilization of enlisted men [redacted].

Shortly after announcing plans for the troop cut, Premier Khrushchev admitted in private conversation that it "had not been easy to sell" to the military. In January and February the regime engaged in a major campaign to explain and "justify" the measure and to publicize the privileges and financial benefits granted the discharged servicemen

[redacted]

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~~CONFIDENTIAL~~Communist China Seeks to Convert Afro-Asian Conference
Into Anti-American Forum

Communist China is making a strong bid at the Afro-Asian Solidarity Conference to inject its bitter hostility toward the United States into the "national liberation struggle."

Spokesmen for the 23-man Chinese delegation--the largest present at the meeting in Conakry, Guinea--have charged that "US imperialism is the most vicious and treacherous enemy of the people of Africa, Asia, and the world." Moscow has avoided such vituperation, centering on colonialism in general as the main opponent of independence.

This Chinese effort to focus antagonism on the United States is part of Peiping's campaign advocating hard, uncompromising political opposition on all fronts as the best and quickest means for destroying "imperialism." The Chinese delegation also is pledging Peiping's "firm support" for nationalist movements in a continuing effort to increase Chinese influence among new African states.

So far there is no evidence that the efforts of Peiping's and other Communist representatives have had the intended effect on the large number of African nationalists attending the conference. In fact, the Communists' heavy-handed approach may be proving counterproductive, even in some of the most leftist-inclined African circles. Although he has accepted an invitation to visit Peiping, Guinean President Sekou Touré was apparently addressing himself primarily to the bloc when, in his opening speech to the delegates, he rebuked those who saw in Africa "a possibility of transforming our nations into territories reserved to their sole influence" and who brought to Africa "their quarrels and differences." Moreover, Touré's Marxist-oriented half-brother, who is serving as conference president, is reported to have blocked an attempt by the Communist-dominated Japanese delegation to make Okinawa and the US-Japanese security treaty formal agenda items.

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~~II. ASIA-AFRICA~~
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Opposition Continues Attacks on Rhee Regime

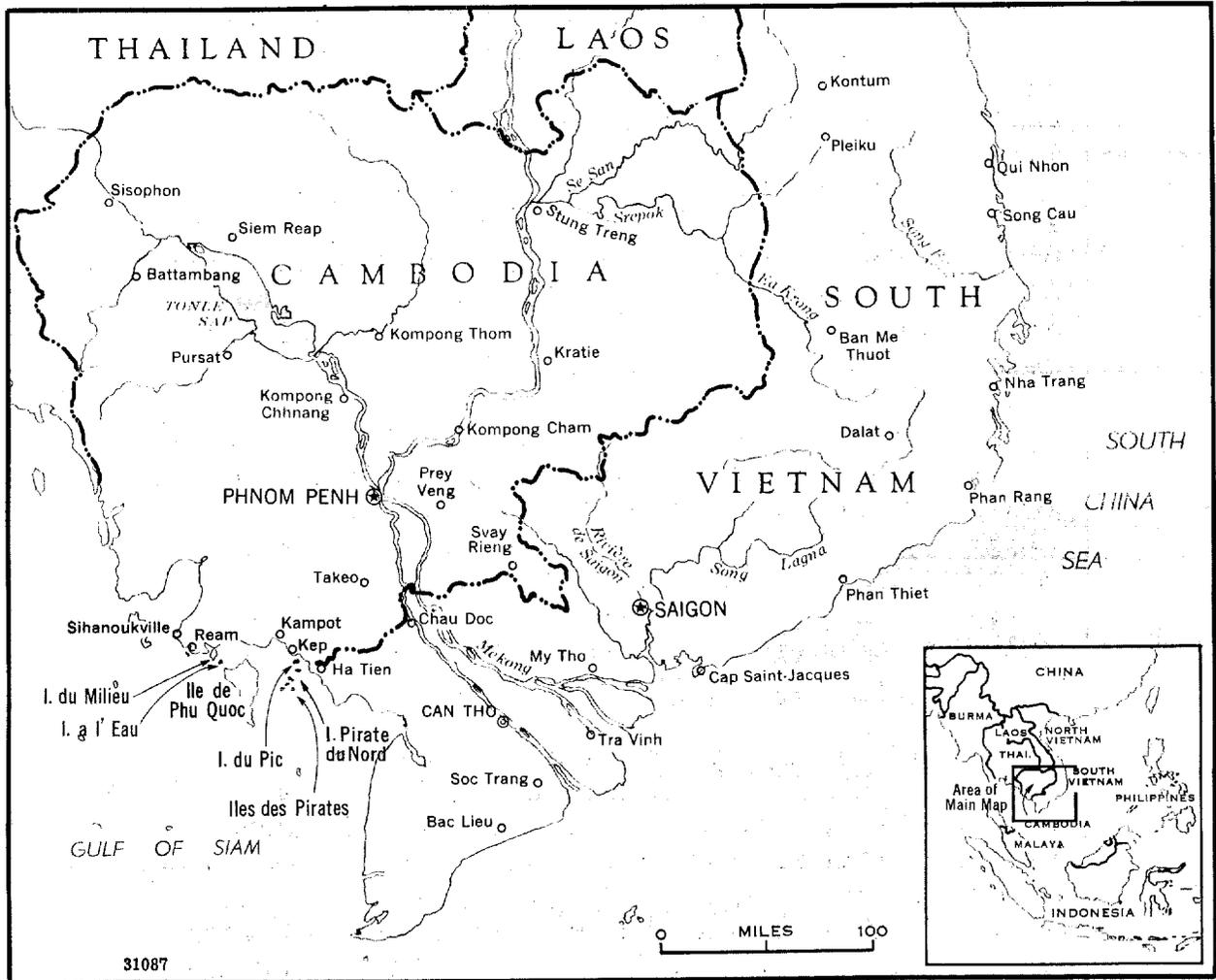
Opposition Democratic leaders, encouraged by the growing opposition to the Rhee administration displayed at Masan, probably will increase their efforts to hold demonstrations elsewhere in South Korea. They have decided to go ahead with plans for a mass rally in Seoul on 15 April commemorating the victims of the Masan election-day riots, despite the government's refusal to permit the use of Seoul Stadium. Regardless of their success in this instance, they are likely to continue efforts to promote protest rallies in Seoul.

Militant opposition leaders might welcome disorders as the most effective means of stimulating support. For its part, the government is afraid even to permit an opposition rally in the stadium under close police supervision, but it realizes that the use of force to prevent demonstrations might incite mass rioting.

The Democrats have launched the most bitter parliamentary attack on the administration since Rhee's Liberal party resorted to repressive tactics in late 1958 to break a Democratic sit-down strike in the National Assembly. Opposition leaders also have filed suit in the Supreme Court to have the recent presidential elections nullified. Such legalistic maneuvers, however, seem likely to be overshadowed by the resort to mass action.

North Korea is mounting a propaganda campaign to exploit the troubles in South Korea. Pyongyang has staged a mass rally, and the press and radio are giving developments in Masan extensive coverage. All Koreans are being exhorted to rise against the "Syngman Rhee clique" and to accelerate peaceful unification. Such a North Korean response very probably will be used by Rhee to substantiate his allegations that the dissidence is entirely Communist inspired.

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~~SECRET~~South Vietnamese - Cambodian Dispute Over Uninhabited Islands Intensifying

The dispute between South Vietnam and Cambodia over ownership of several small islands in the Gulf of Siam is becoming increasingly bitter. South Vietnam has reacted sharply to reported landings on 9 April by Cambodian troops on two uninhabited islets in the Iles des Pirates archipelago, which was among several offshore islands claimed by South Vietnam in a note to Cambodia last month.

The Diem government has circulated an aide-memoire to "friendly governments" denouncing Cambodia's new "premeditated act of aggression" and recalling Cambodian occupation in 1956 and 1958 of Ile du Milieu, Ile a l'Eau, Ile du Pic, and Ile Pirate du Nord--all claimed by Saigon. The Vietnamese note states that Cambodia's provocative act creates an "extremely dangerous situation for peace in this part of the world."

The Diem government is dispatching two patrol craft to reconnoiter, and a company of Vietnamese marines reportedly was placed on 48-hour alert on 13 April. Foreign Minister Mau has told American Ambassador Durbrow that Vietnam has no intention of dislodging the Cambodians by force, but he admitted this was considered at a special cabinet session. Mau complained that the West did not understand Cambodian leader Sihanouk's "real game, which is one of continual aggressive jabs!"

Saigon's note last month on the islands touched off a violent reaction in Phnom Penh. Sihanouk warned that Cambodia would fight to retain its territory and would not hesitate to seek Chinese Communist support if needed. While the islands in question have little real value, the supercharged emotions generated in both capitals reflect the traditional enmity between the two countries as well as friction over contemporary differences.

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~~CONFIDENTIAL~~Possible Withdrawal of Pro-Communist Candidates From
Laotian Elections

[Quinim Pholsena, leader of the fellow-traveling Santiphab party, is considering withdrawing some or all of the party's candidates from the National Assembly elections on 24 April in protest against the Laotian Government's alleged strong-arm tactics,]

[] the Communist-front Neo Lao Hak Sat (NLHS) may take similar action in order to dramatize to the world that the elections are "a farce rigged to please foreign friends."]

[The NLHS and the Santiphab generally voted together in the last assembly and have probably coordinated their tactics in the election campaign now in progress. Santiphab strength is concentrated in the southernmost provinces of Champassak and Attopeu. An American Embassy officer who recently toured Champassak reports a general assumption there that the government candidates will sweep all six seats in the province because the army and the police are effectively persuading the people, sometimes through threats, that it would be unsafe to vote for opposition candidates.]

[Reports that the Santiphab and the NLHS may pull out of the elections may have been deliberately circulated in order to generate new pressure on the government to hold reasonably fair elections. Communist strategists might see some propaganda advantage in making a token withdrawal of a few of the weaker Communist or pro-Communist candidates, but they would probably prefer that most of their candidates remain in the race if there is a reasonable prospect that a number of them can win. The Communists probably anticipate a split in the anti-Communist ranks in the next assembly which could be exploited by even a small leftist bloc.]

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~~CONFIDENTIAL~~Libyan Pressure on American Base Rights

[The Libyan Government, which for nearly two years has been pressing for modifications in the American base agreement and for major revisions in the American aid program, is under growing internal pressure to show results. A minority bloc in the newly constituted Chamber of Deputies has launched virulent attacks on the existence of Wheelus Air Base and several phases of operation, on the "lack of respect shown by Americans for Libyan sovereignty and honor," and on American "indifference" to Libyan economic needs. One of the group's spokesmen has demanded that the chamber take matters into its own hands and "annul this evil American treaty."]

[While the Libyan Government still controls the majority of the chamber's membership, the strength of the opposition bloc was considerably increased in last January's elections. Prime Minister Kubar is obviously concerned by such symptoms of adverse public sentiment; moreover, he has expressed to Western diplomats his conviction that the King will replace him if he cannot negotiate a "satisfactory" new aid agreement with the United States.]

[During the past few years American aid to Libya has amounted to about \$22,000,000 annually. Up to this point, Kubar has found the American ambassador's proposals for modification of the aid program unacceptable; new American proposals are pending. While Kubar has been bargaining for an increase in the total level of aid, he has been particularly insistent that a sizable part be in the form of an advance commitment of funds for several years and completely at the disposal of the Libyan Government.]

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III. THE WEST

Italy to Try Center-Left Government

Amintore Fanfani, former premier and the leading figure of the Christian Democratic left, has agreed to try to form a cabinet to bring the six-week-old Italian cabinet crisis to an end. Fanfani will probably work for the formation of a coalition with the parties immediately to the left of the Christian Democrats--the Republicans and the Democratic Socialists--with the parliamentary support of the Socialist party. The strength of the antirightist feeling within the Christian Democratic party was indicated on 11 April by the revolt within the party against participation in the Tambroni government, which would have depended on the votes of the neo-Fascists for a parliamentary majority.

If this second attempt fails, President Gronchi--personally a strong proponent of the center-left formula--will probably favor installing a strictly caretaker, one-party government, rather than experiment with a center-right formula. The Liberals--who caused the crisis by refusing to continue their support of the Segni government without being represented in the cabinet--presumably would demand inclusion in a coalition government. This is a conceivable solution but not a likely one, in the face of opposition from the Christian Democratic left.

(The current crisis has been of record duration, and there have been rumors of a possible coup attempt which would probably lead to a general strike initiated by the left.)

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